**SCRS** and **PORS** 

# Your Disability Retirement Benefits

SC

Retirement Systems

**July 2003** 

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The information in this brochure is meant to serve as a guide but does not constitute a binding representation of the South Carolina Retirement Systems. The statutes governing the South Carolina Retirement Systems are found in Title 9 of the South Carolina Code of Laws, and should there be any conflict between this brochure and the statutes, the statutes will prevail. Because state statutes are subject to change by the General Assembly, please contact us for the most current information.

The information in this brochure provides an overview of the disability retirement program for members of the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS), and will help you determine if you are eligible to and should apply for disability retirement.

# Who May Apply

You may apply for disability retirement if you become permanently disabled before you leave covered employment and you also meet the other requirements outlined in this brochure. If you do not apply prior to leaving covered employment, you will not be eligible to participate in the disability retirement program.

For retirement purposes, you are considered permanently disabled if you become physically or mentally incapable of performing the

regular duties of your job and your disability is likely to be permanent. Becoming disabled does not automatically qualify you for disability retirement; you must file an application and go through the review process.

If you are a member of SCRS, you must be under age 65; PORS members must be under age 55. You must have five or more years of earned service credit toward retirement. The five-year service requirement is waived if you can substantiate that your disability is the result of an on-the-job injury.

SCRS, PORS, and GARS (General Assembly Retirement System) are correlated systems, meaning these systems have a complementary relationship. Your service credit will be added together to determine your eligibility to apply for disability benefits.

You may arrange with your employer to make your Retirement Systems' contributions through your employer if your disability requires you to be placed in an employer-approved leave status such as Workers' Compensation, sick leave, or family medical

leave. Doing so will ensure
that you will continue
to earn Retirement
Systems' service
credit during your
leave period.

If your disability claim is denied, the continuance of paying contributions and earning Retirement Systems' service credit

may be important to your long-term retirement plans.

# **How to Apply**

If you meet the disability filing criteria, contact your employer or the Retirement Systems for a disability retirement packet. When you file your disability retirement claim, please include as much evidence as possible to support your claim.

You should file your application for disability retirement as soon as you become disabled and before you are removed from your

employer's payroll. If you do not receive notification of our receipt of your application within 10 days after you submit it, please contact us. If you are eligible for service retirement when you become disabled, you may apply for service retirement while awaiting determination of your disability claim; however, you will receive only one type of payment (service or disability) if your disability claim is approved.

# **Processing the Claim**

Your medical records will be obtained from your health care providers and evaluated to determine the severity and limiting ef-

fects of your physical or mental impairment. The final determination is made by the Retirement Systems. Please allow a minimum of three months after all required documentation has been received from you, your employer, and your health care providers for your disabil-

ity application to be processed. If you have not received our decision within three months, please contact Customer Services toll free at 1-800-868-9002 (available within SC only), at 803-737-6800, or at cs@scrs. state.sc.us.

# **Defining "Annuity"**

An annuity is a series of periodic payments for a fixed future period or for life; payable monthly.

## Disability Retirement Effective Date

If your disability retirement claim is approved, the effective date for annuity benefits will be the 30th day after your applica-

tion is received by the Retirement Systems or the day after your last day on your employer's

payroll, whichever is later. Disability annuity benefits will continue throughout your life-

time, or until your

beneficiary's death if you select a payment plan that provides continuing monthly survivor benefits, unless:

- you regain a certain earning capacity; or
- medical evidence indicates that you are no longer disabled; or
- the Retirement Systems has scheduled a continuing disability review and does not approve continuing disability retirement payments.

Periodic medical reexaminations may be required up to age 65 (SCRS) or age 55 (PORS). If the Medical Board determines that your disability benefits should cease because of an improvement in your medical condition, your retirement benefits will stop the month of your scheduled review or the month of the Medical Board's decision, whichever is later.

# **Annuity Payments**

Disability retirement checks are directly deposited or mailed the last business day of each month. If you have not received your check by the fifth business day of the month, notify the Retirement Systems in writing or call Customer Services toll free at 1-800-868-9002 (available within SC only), at 803-737-6800, or at cs@scrs.state.sc.us. Endorse all checks as drawn. Notify the Retirement Systems in writing immediately if someone else must endorse your check or if your address changes.

Because the Retirement Systems does not determine your disability based on the criteria for a disability that is total and permanent, your disability benefits are considered to be a normal distribution from your retirement account. For tax information, contact the Internal Revenue Service, the SC Department of Revenue if you live in South Carolina, and/or your personal tax advisor.

# **Direct Deposit**

We strongly encourage you to enroll in our direct deposit program. Your enrollment is free and allows us to automatically deposit

your checks into your bank account. It takes about two months to process a direct deposit enrollment request, but it's worth it for the convenience and the safety of your money. Even while receiving benefits

through direct deposit, it is important to notify the Retirement Systems in writing of any change in your home mailing address.

# Post-Retirement Information

## **Cost-of-Living Adjustments**

Cost-of-living adjustments (COLAs) are not guaranteed. The Retirement Systems' actuary must first determine whether funding re-

quirements have been met, then the State Budget and Control Board must approve the COLA. If approved, COLAs are calculated as follows: your monthly annuity is increased by 4 percent each July 1st provided your retirement was in effect the previous July 1st and the Consumer Price Index (CPI) increased at least

4 percent during the previous calendar year. If the CPI increased less than 4 percent, your COLA will be equal to the CPI increase.

## Returning to Employment While Receiving a Disability Retirement Annuity

Disability retirees should report earnings from any gainful employment to the Retirement Systems annually. There is an earnings limitation for all public and private employment which is applied on a calendar-year basis. You may earn the difference between your adjusted average final compensation (AFC) at retirement and your disability retirement annuity without affecting your retirement benefits. Your AFC is the total of your highest 12 consecutive quarters of earnable compensation (Jan.-Mar., Apr.-Jun., Jul.-Sep., Oct.-Dec.) divided by three.

## **Example**

AFC at retirement (adjusted for inflation) \$20,000 Annual disability retirement annuity - \$12,000 Disability retiree can earn difference \$8,000 (for the calendar year)

Your AFC may be adjusted each year for inflation for earnings limitation purposes only. This increase generally matches the percentage increase of the CPI, but can be up to a maximum of 10 percent. These adjustments affect the amount you can earn while receiving a disability retirement annuity; however, they do not affect the amount of your benefit.

If you earn more than your adjusted AFC, your monthly annuity will be reduced or possibly canceled. If you return to work with an employer covered by the Retirement Systems and your salary is equal to or greater than your adjusted AFC, your disability retirement annuity ceases and you must become an active member of the system.

At age 65 (SCRS) or age 55 (PORS), the same earnings limitation rules apply as for a service retiree. SCRS members are subject to a \$50,000 per fiscal year earnings limitation. Effective July 1, 2002, PORS members who have been retired for at least 15 consecutive calendar days may return to work for an employer covered by the Retirement Systems with no earnings limitation. The Retirement Systems monitors post-retirement employment with covered employers only. Please notify the Retirement Systems immediately of any changes in your employment status.

# Beneficiary and Option Changes Retiree Group Life Insurance

You may change your Retiree Group Life Insurance beneficiary at any time regardless of the payment plan you selected.

## **Option A**

You may change your beneficiary at any time. If you have a change in marital status,

you may also select a new option within one year of the change in marital status.

Option B and Option C

If all of your beneficiaries predecease you, your annuity will revert to Option A effective on the

date the last beneficiary died. You must notify the Retirement Systems upon the death of a beneficiary. You may then select a new beneficiary under Option A. If you have a change in marital status, you may select a new option within one year of the change in marital status.

## **Change in Marital Status**

If your spouse dies after you retire, if you marry, or if you divorce, you may revoke your current payment plan and select a new option within one year of the change in marital status. Estimates of adjusted benefits under a new option are available from the Retirement Systems upon request.

## **Number of Changes**

Your form of monthly payment may not be changed more than twice, regardless of the number of events (death of a designated beneficiary or change in marital status) that occur. A reversion to Option A upon the death of your beneficiary will count as one of the two changes. If a second beneficiary predeceases you after you have again selected Option B or Option C, you will revert automatically to Option A; however, no further form of payment changes will be allowed. Changes in form of payment occurring before January 1, 2001, are not included in the limitation provision.

Keep Your Retirement Account Information Current

As a retired member, it is very important, and easy, to keep your address and beneficiaries current with the Retirement Systems. Simply contact us to update this information. Our retired member newsletter is mailed to your home

address twice each year, so don't miss this important benefits information because of an outdated address!

You must apply separately for other disability programs such as Long Term Disability or Social Security.

## **Mailing Address**

South Carolina Retirement Systems P.O. Box 11960 Columbia, SC 29211-1960

#### Location

Fontaine Business Center 202 Arbor Lake Drive Columbia, South Carolina 29223

#### **Office Hours**

8:15 AM - 5:00 PM

#### **Customer Services**

1-800-868-9002 (available within SC only) 803-737-6800 cs@scrs.state.sc.us

#### **Internet Web Site**

www.scrs.state.sc.us

#### **State Budget and Control Board**

Mark Sanford, Chairman Governor

**Grady L. Patterson, Jr.** *State Treasurer* 

## Richard Eckstrom

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#### Hugh K. Leatherman, Sr. Chairman, Senate Finance Committee

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Executive Director

#### **South Carolina Retirement Systems**

Peggy G. Boykin, CPA
Director